

AR06

MALARTIC GOLD FIELDS (QUEBEC) LIMITED

NO PERSONAL LIABILITY

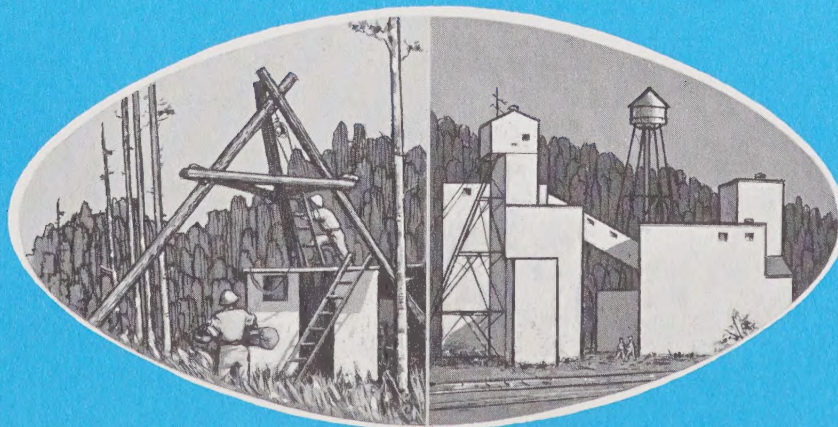
ASSOCIATE



LITTLE LONG LAC GOLD MINES LIMITED

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 196

INCLUDING A COPY OF THE ANNUAL REPORT OF
MARBAN GOLD MINES LIMITED





This symbol has been selected to represent Canada's Centennial of Confederation in 1967—literally Canada's National 100th birthday symbol. This is an ingenious design of eleven equilateral triangles arranged together into a symbolic Maple Leaf, representing the ten provinces and the Canadian Northern Territories.

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Officers

JOHN C. L. ALLEN - - - - - *President*
R. C. STANLEY, JR. - - - - - *Vice-President*
MISS B. A. ARGO - - - - - *Secretary-Treasurer*
D. M. LORIMER, C.A. - - - - - *Comptroller*

Directors

JOHN C. L. ALLEN	T. D. CARLSON
PETER A. ALLEN, P.Eng.	W. C. COCHRANE
B. A. ARGO	P. K. HANLEY
ROBERT C. STANLEY, JR.	

Manager — M. D. KENNEDY

Registrar and Transfer Agents

EASTERN & CHARTERED TRUST COMPANY
Toronto, Ont. and Montreal, Que.

MARINE MIDLAND GRACE TRUST CO. OF NEW YORK
New York, N.Y.

Auditors

GUNN, ROBERTS AND CO.,
Toronto, Ont.

Executive Office

Suite 400, 112 King Street West, Toronto, Ontario.

Report of the Directors

To the Shareholders:

Your Directors are pleased to present the Annual Report and Financial Statements for the year ended December 31st, 1966, together with the Auditors' Report thereon and the Report of the Manager.

During the year 1966, your Company's principal operations continued to be that of providing milling facilities, machine shop and other services to neighbouring mines on a profitable basis.

MARBAN GOLD MINES LIMITED, in which your Company has maintained its 75% interest, is covered in the Annual Report of that company included herewith.

Your Company has fully retained its holdings in East Malartic Mines Limited and Great Whale Iron Mines Limited, as well as effective control of MacLeod-Cockshutt Gold Mines Limited. In addition, portfolio holdings now include 378,109 shares of Willroy Mines Limited. At the Special General Meeting of your Company held in December 1966, the purchase of \$750,000 principal amount of Wasamac Mines Limited 1973 Convertible 7% Income Debentures was ratified.

The Directors wish to express their appreciation to Mr. Murray Kennedy, Manager, the Staff and all Employees for their loyal and efficient services during the year.

Respectfully submitted,

On behalf of the Board,

JOHN C. L. ALLEN,
President.

March 30, 1967.

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Report of the Manager

Halet, Quebec
February 14, 1967

The President and Directors
Malartic Gold Fields (Quebec) Limited

Dear Sirs:

Herewith is submitted a report covering the operations of the company for the year ended December 31, 1966.

The mill treated 768,587 tons of custom ore from the following sources:

Little Long Lac Gold Mines Limited	6,267	tons
Marban Gold Mines Limited	115,892	"
Willroy Mines Limited-Norlartic Div.	133,646	"
Barnat Mines Ltd.	233,091	"
Camflo Mines Limited	279,691	"
	<u>768,587</u>	<u>tons</u>

The mill operated 95.27% of the time for an average of 2,106 tons per calendar day.

Revenue from custom milling and from shops and services to member mines and others produced an operating profit of \$201,000.

The Company paid out \$568,114 in the form of wages and salaries including Workmen's Compensation, Unemployment Insurance and other employee benefits and \$562,744 for supplies and services.

At the year end there were 79 hourly rated employees on the payroll compared to 100 at the end of the previous year.

In conclusion I wish to express my thanks to the Officers and Directors for their co-operation and support. I wish also to express my appreciation to Department Heads, Supervisory Personnel and all Employees for their efficient services during the year.

Respectfully submitted,

M. D. KENNEDY,
Manager.

MALARTIC GOLD FIELDS
(QUEBEC) LIMITED

(NO PERSONAL LIABILITY)

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Balance Sheet

Incorporated under the laws of Quebec

ASSETS

		1965 for Comparison
CURRENT ASSETS		
Cash	76,858	77,319
Short term deposits	716,000	1,125,000
Accounts receivable	102,144	114,288
Receivable from subsidiary and associated companies	82,952	108,895
Marketable securities at cost (quoted market value \$365,800)	352,770	
Amount receivable under the Emergency Gold Mining Assistance Act ..		50,711
Prepaid expenses	17,222	30,000
Supplies at average cost	223,654	259,206
	<u>1,571,600</u>	<u>1,765,419</u>
 SHARES IN SUBSIDIARY COMPANY at equity value (note 1)	 520,906	 495,880
	<u>520,906</u>	<u>495,880</u>
 INTEREST IN ASSOCIATED COMPANIES		
Listed shares at cost less allowance for decline in value of \$1,800,000 in each year (quoted market value 1966 \$3,524,600, 1965 \$3,843,200)	4,004,153	3,543,790
Other shares at cost less amounts written off	324,192	319,318
Advances	204,341	212,903
	<u>4,532,686</u>	<u>4,076,011</u>
 FIXED ASSETS		
Buildings, machinery and equipment		
Gold Fields Division at cost less accumulated depreciation	38,895	42,672
Bevcon Division at nominal value in 1966	1	50,000
	<u>38,896</u>	<u>92,672</u>
Mining properties at nominal value	1	1
	<u>38,897</u>	<u>92,673</u>
 OTHER ASSETS	 2,062	 2,062
	<u>\$6,666,151</u>	<u>\$6,432,045</u>

December 31, 1966

LIABILITIES

CURRENT LIABILITIES		1965 for Comparison
Accounts payable and accrued liabilities	91,454	127,901
Payable to associated companies	7,139	22,000
Taxes payable		22,564
	<u>98,593</u>	<u>172,465</u>
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized — 5,000,000 shares of \$1 each		
Issued — 4,481,378 shares	4,481,378	4,481,378
Less discount on shares	3,223,857	3,223,857
	<u>1,257,521</u>	<u>1,257,521</u>
Contributed surplus	617,026	617,026
	<u>1,874,547</u>	<u>1,874,547</u>
Retained earnings	4,693,011	4,385,033
	<u>6,567,558</u>	<u>6,259,580</u>

Approved on behalf of the Board:

J. C. L. ALLEN, Director.

R. C. STANLEY, JR., Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Malartic Gold Fields (Quebec) Limited (No Personal Liability) as at December 31, 1966 and the statements of income and retained earnings, and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the aforementioned financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1966 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
February 16, 1967

GUNN, ROBERTS and CO.,
Chartered Accountants.

<u>\$6,666,151</u>	<u>\$6,432,045</u>
--------------------	--------------------

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Statement of Income and Retained Earnings

Year ended December 31, 1966

REVENUE

Services

Custom milling	940,558
Other	284,016
Income from investments	86,291
Interest in 1966 net income of subsidiary company	25,026
	<u>1,335,891</u>

EXPENSES

Direct cost of services

Custom milling	619,743
Other	189,132
Mine office and supervision	25,703
General expenses at the property	139,664
Administrative and corporate expenses	58,421
Depreciation	6,494
	<u>1,039,157</u>

Income before undernoted items	<u>296,734</u>
--------------------------------------	----------------

Add

Adjustment of Emergency Gold Mining Assistance of prior years	9,107
Proceeds on sale of fixed assets in excess of net book value	11,626
Overprovision of prior year's income taxes	14,707
	<u>35,440</u>
	<u>332,174</u>

Deduct

Outside exploration	2,243
Amalgamation expenses	5,543
Shut down expenses, Bevcon division	16,410
	<u>24,196</u>

Net income for the year (note 2)	307,978
Retained earnings at beginning of year	4,385,033
Retained earnings at end of year	<u><u>\$4,693,011</u></u>

Statement of Source and Application of Funds

Year ended December 31, 1966

SOURCE OF FUNDS


Net income for the year	307,978
Add back depreciation and other items not involving cash outlay	15,762
	<u>323,740</u>
Deduct interest in 1966 net income of subsidiary company	25,026
	<u>298,714</u>
Proceeds on sale of fixed assets — Bevcon division	40,732
	<u>339,446</u>

APPLICATION OF FUNDS

Investment in associated companies	456,676
Purchase of fixed assets	2,717
	<u>459,393</u>
Decrease in working capital	119,947
Working capital at beginning of year	1,592,954
Working capital at end of year	<u>\$1,473,007</u>

Notes to the Financial Statements

1. Consolidated financial statements have not been prepared for the partly owned subsidiary company, Marban Gold Mines Limited because it is considered more informative to present separate statements.
2. No provision for income taxes is required because the company intends to claim for tax purposes depreciation charged to the accounts in prior years and not claimed for tax purposes. The income taxes payable would otherwise have amounted to \$107,000 and the net income for the year would have been \$200,978.
3. For comparative purposes certain 1965 items have been reclassified on the same basis as used for statement presentation for 1966.
4. The company has entered into an agreement with Wasamac Mines Limited to purchase up to \$750,000 7% convertible debentures.



Digitized by the Internet Archive
in 2023 with funding from
University of Alberta Library

https://archive.org/details/Mala0325_1966

MARBAN GOLD MINES LIMITED

OFFICERS

P. K. HANLEY	-	-	-	-	-	-	-	-	-	<i>President</i>
B. A. ARGO	-	-	-	-	-	-	-	-	-	<i>Secretary</i>
D. M. LORIMER	-	-	-	-	-	-	-	-	-	<i>Comptroller</i>

DIRECTORS

J. C. L. ALLEN	P. K. HANLEY
J. G. EDISON	STEPHEN KAY
R. C. STANLEY, JR.	

MINE MANAGER

M. D. KENNEDY

REGISTRAR AND TRANSFER AGENTS

EASTERN & CHARTERED TRUST COMPANY,
Toronto, Ontario.

AUDITORS

GUNN, ROBERTS AND CO.,
Toronto, Ontario.

EXECUTIVE OFFICE

Suite 400, 112 King St. West,
Toronto 1, Ontario.

MARBAN GOLD MINES LIMITED

Report of the Manager

Halet, Quebec,
February 14, 1967.

The President and Directors,
MARBAN GOLD MINES LIMITED.

Dear Sirs:

Herewith is a report covering the operation and production for the year ended December 31, 1966.

The mine produced 115,892 tons of ore which yielded 20,533 ounces of gold and 1,624 ounces of silver. The drop in tonnage from 151,728 tons in the previous year was due to a shortage of miners and available mill capacity, both of which were rectified with the closing of the adjacent Norlartic operation at year-end. Production since the start of milling on July 2, 1961, is 701,352 tons of ore which has yielded 109,546 ounces of gold and 8,907 ounces of silver.

Operating profit was \$136,965 or \$1.18 per ton.

Exploration and development continued throughout the year with expenditures of \$91,842. Diamond drilling in the east part of the mine below the 800, or bottom level, was completed and gave very little encouragement. Drilling below the 800 level west of the shaft will commence in 1967.

A total of 15,528 feet of diamond drilling was done during the year and 2,258 feet of lateral and inclined openings.

Ore reserves at the year end are calculated at 350,000 tons grading 0.16 oz./ton. Possible and indicated ore is estimated at 100,000 tons grading 0.13 oz./ton.

During the year the Company paid out \$359,737 in salaries and wages including Workmen's Compensation, Unemployment Insurance and other employee benefits and \$105,276 for supplies. Services and supplies purchased from associated companies amounted to \$441,645.

At the year end there were 84 personnel on the payroll. All administrative, engineering and general services were provided by Malartic Gold Fields (Quebec) Limited.

On the adjoining Little Long Lac property 6,267 tons of ore were mined which produced 1,294 ounces of gold and 86 ounces of silver.

In conclusion I wish to express my thanks to the Officers and Directors for their co-operation and support. I wish also to thank the Supervisory Personnel and all employees for their efficient services during the year.

Respectfully submitted,

M. D. KENNEDY,
Manager.

MARBAN GOLD

(Incorporated under the laws of the State of Nevada)

BALANCE SHEET-

ASSETS

CURRENT ASSETS		1965 for Comparison
Cash	27,021	19,092
Short term deposits	180,000	47,000
Bullion at net realizable value	64,592	65,228
Accounts receivable	11,168	3,569
Amount receivable under the Emergency Gold Mining Assistance Act ..	89,869	94,636
Prepaid expenses	7,860	8,822
	<u>380,510</u>	<u>238,347</u>
 FIXED ASSETS		
Building, machinery and equipment at cost	267,948	262,770
Less accumulated depreciation	219,500	198,500
	<u>48,448</u>	<u>64,270</u>
Mining properties and claims at cost	250,000	250,000
	<u>298,448</u>	<u>314,270</u>
 OTHER ASSETS AND DEFERRED CHARGES		
Preproduction expenditures less amount written off	103,931	193,931
Special refundable tax	4,312	
	<u>108,243</u>	<u>193,931</u>

Approved on behalf of the Board:

STEPHEN KAY, Director.

J. C. L. ALLEN, Director.

<u>\$ 787,201</u>	<u>\$ 746,548</u>
-------------------	-------------------

MARBAN GOLD MINES LIMITED

(Incorporated under the laws of Ontario)

DECEMBER 31, 1966

LIABILITIES

CURRENT LIABILITIES		1965 for Comparison
Accounts payable and accrued liabilities	41,379	38,745
Payable to parent company, Malartic Gold Fields (Quebec) Limited ..	48,241	42,538
Quebec mining tax	3,039	4,091
	<u>92,659</u>	<u>85,374</u>
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized — 5,000,000 shares of \$1 each		
Issued — 4,000,005 shares	4,000,005	4,000,005
Less discount on shares	3,000,000	3,000,000
	<u>1,000,005</u>	<u>1,000,005</u>
Deduct deficit	305,463	338,831
	<u>694,542</u>	<u>661,174</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Marban Gold Mines Limited as at December 31, 1966 and the statements of income and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 16, 1967.

GUNN, ROBERTS and CO.,
Chartered Accountants.

<u>\$ 787,201</u>	<u>\$ 746,548</u>
-------------------	-------------------

MARBAN GOLD MINES LIMITED

Statement of Income and Deficit

Year ended December 31, 1966

		1965 for Comparison
OPERATING REVENUE		
Bullion recovery	776,583	852,171
Assistance under the Emergency Gold Mining Assistance Act	202,469	231,133
	<u>979,052</u>	<u>1,083,304</u>
OPERATING EXPENSES		
Mine development	91,842	107,612
Mining	457,544	513,757
Milling	140,920	170,207
Ore haulage	31,900	31,782
Marketing expenses	5,425	6,068
Mine office and supervision	57,857	53,516
General expenses at the property	36,842	37,046
Administrative and corporate expenses	14,757	15,621
Quebec mining tax	5,000	4,000
	<u>842,087</u>	<u>939,609</u>
OPERATING PROFIT before providing for undernoted items	<u>136,965</u>	<u>143,695</u>
OTHER DEDUCTIONS		
Depreciation	21,000	27,000
Proportion of preproduction expenditures written off	90,000	90,000
	<u>111,000</u>	<u>117,000</u>
	<u>25,965</u>	<u>26,695</u>
INTEREST INCOME	<u>7,403</u>	<u>14,749</u>
NET INCOME for the year	33,368	41,444
(Deficit) January 1, 1966; retained earnings January 1, 1965	(338,831)	19,725
	<u>(305,463)</u>	<u>61,169</u>
Dividend paid		400,000
Deficit at end of year	<u>\$ 305,463</u>	<u>\$ 338,831</u>

MARBAN GOLD MINES LIMITED

Statement of Source and Application of Funds

Year ended December 31, 1966

SOURCE OF FUNDS	1965 for Comparison	
Net income for the year	33,368	41,444
Add depreciation and preproduction write-off not involving cash outlay	111,000	117,000
Funds provided from operations	144,368	158,444
APPLICATION OF FUNDS	1965 for Comparison	
Purchase of machinery and equipment	5,178	3,761
Special refundable tax	4,312	
Dividend paid		400,000
	9,490	403,761
INCREASE (decrease) in working capital	134,878	(245,317)
WORKING CAPITAL at beginning of year	152,973	398,290
WORKING CAPITAL at end of year	\$ 287,851	\$ 152,973

